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**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA**

**Basic Financial Statements
and Independent Auditors' Reports**

**As of and for the Year Ended June 30, 2003
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/10/03

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GOVERNING BOARD

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Johnny Gypin
Jack E. Hicks
Robert Jaeger, II
Rick Lanier
James R. Osborne, Jr.
Linden Raimer
Robert Rolston

Don Traylor, Executive Director

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

**Board Members of
State Plumbing Board of Louisiana
Department of Labor
State of Louisiana
New Orleans, Louisiana**

We have audited the accompanying basic financial statements of the **State Plumbing Board of Louisiana**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2003, as listed in the Table of Contents. These basic financial statements are the responsibility of **State Plumbing Board of Louisiana** management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the **State Plumbing Board of Louisiana**, as of June 30, 2003, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying required supplementary information, which consists of the Management's Discussion and Analysis as listed in the Table of Contents is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2003, on our consideration of the **State Plumbing Board of Louisiana's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an

integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the State Plumbing Board of Louisiana's basic financial statements. The accompanying supplementary information, such as the Division of Administration Reporting packet, as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements of the State Plumbing Board of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Leroy J. Chustz

Certified Public Accountant, APAC
August 4, 2003

Beverly A. Ryall

Certified Public Accountant

The Management's Discussion and Analysis of the State Plumbing Board of Louisiana's financial performance presents a narrative overview and analysis of the State Plumbing Board of Louisiana's financial activities for the year ended June 30, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the State Plumbing Board of Louisiana's financial statements.

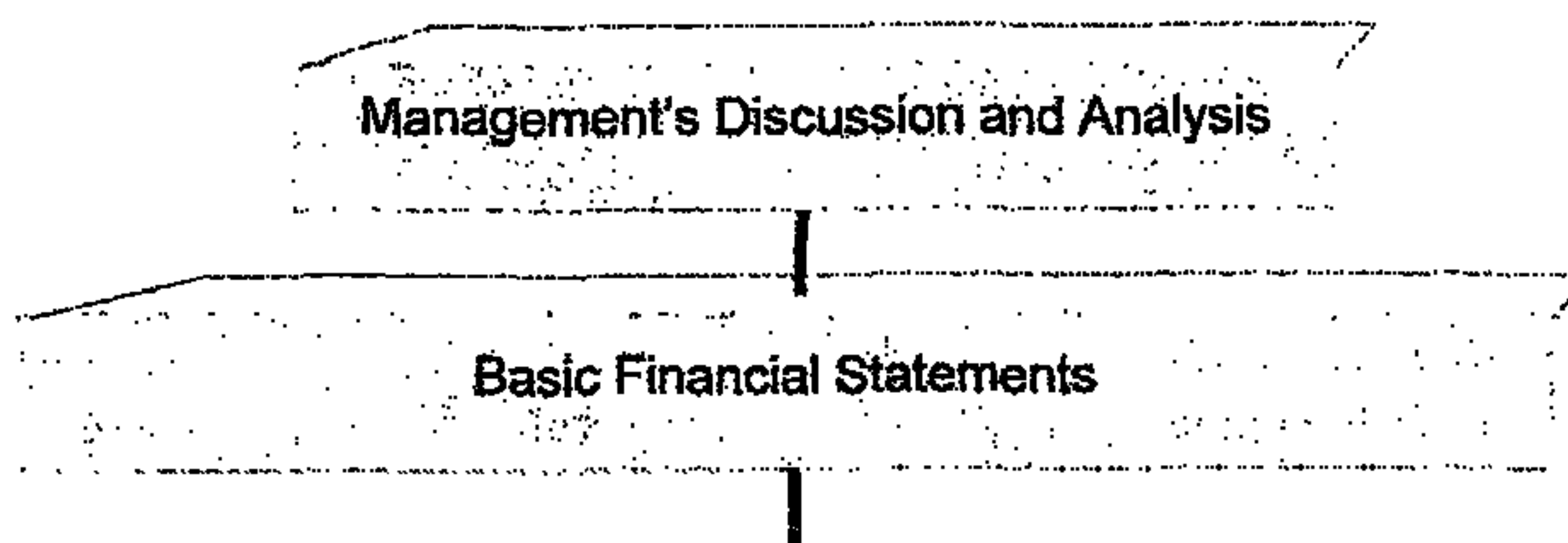
FINANCIAL HIGHLIGHTS

- ★ The State Plumbing Board of Louisiana's assets exceeded its liabilities at the close of fiscal year 2003 by \$346,374 which represents a 15% decrease from last fiscal year. The net assets decreased by \$61,073 (or 14.99%).
- ★ The State Plumbing Board of Louisiana's revenue increased \$1,933 (or .34%) and the net results from activities increased by \$82,159 (or 15%).

★
★
★
★

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections - Management's Discussion and Analysis, required supplementary information, (this section), and the basic financial statements (including the notes to the financial statements).

Basic Financial Statements

The basic financial statements present information for the State Plumbing Board of Louisiana as a whole, in a format designed to make the statements easier for the reader to understand. The

statements in this section include the Balance sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the State Plumbing Board of Louisiana is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how State Plumbing Board of Louisiana's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement presents information showing how State Plumbing Board of Louisiana's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

	Total	
	2003	2002
Current and other assets	\$ 390,434	\$ 434,080
Capital assets	12,170	16,227
Total assets	402,604	450,307
Other liabilities	37,518	24,662
Long-term debt outstanding	18,712	18,197
Total liabilities	56,230	42,859
Net assets:		
Invested in capital assets, net of debt	12,170	16,227
Restricted		
Unrestricted	334,204	391,221
Total net assets	\$ 346,374	\$ 407,448

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Net assets of State Plumbing Board of Louisiana decreased by \$61,073, or 14.99%, from June 30, 2002 to June 30, 2003. One of the major causes of this decrease include a higher percentage of increase in operating expenses as compared to the lower percentage of increase in revenue.

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2003**

	<u>Total</u>	
	<u>2003</u>	<u>2002</u>
Operating revenues	\$ 580,758	\$ 552,873
Operating expenses	<u>627,347</u>	<u>543,264</u>
Operating income(loss)	<u>-66,589</u>	<u>9,618</u>
Non-operating revenues(expenses)	<u>5,516</u>	<u>11,468</u>
Income(loss) before transfers	<u>-61,073</u>	<u>21,086</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ <u><u>-61,073</u></u>	\$ <u><u>21,086</u></u>

The State Plumbing Board of Louisiana's total revenues increased by \$1,933 or (.34%). The total cost of all programs and services increased by \$84,092 or more than 15.5%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2003, the State Plumbing Board of Louisiana had \$12,170 invested in capital assets, including equipment. (See Table below).

This amount represents a net decrease (including additions and deductions) of \$4,057 over last year.

Capital Assets at Year-end
(Net of Depreciation, in thousands)

	<u>2003</u>	<u>2002</u>
Land	\$	\$
Buildings and improvements		
Equipment	12,170	16,227
Infrastructure		
	<u> </u>	<u> </u>
Totals \$	<u><u>12,170</u></u>	<u><u>\$ 16,227</u></u>

There were no major additions this year.

Debt

The State Plumbing Board of Louisiana had no bonds and/or notes outstanding at year-end, compared to same last year.

The State Plumbing Board of Louisiana has no claims or judgments outstanding at year-end compared with same last year. Other obligations include accrued vacation pay and sick leave.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$23,053.86 over budget and expenditures were \$38,203.53 less than budget due in part to waiting for a ruling on position reassignments that will result in back pay which was budgeted for and remained unresolved at June 30, 2003.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State Plumbing Board of Louisiana's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Due to the increasing cost of operating since the last increase in the fee schedule in 1990, had a Bill introduced into 2003 session of legislature, to modestly increase fee schedules for master plumbers, journeyman plumbers, and med gas installers. The bill was not passed.

The State Plumbing Board of Louisiana expects that next year's results will not improve based on the following :

- increase cost of operating; (including the 15.8% state contribution to the retirement system, and 75% state contribution to the group benefit program).
- upgrading computers to handle the ever growing need for the internet for state reporting.
- without the fee schedule increase, we will have to repeatedly depend on our reserves to operate.

CONTACTING THE STATE PLUMBING BOARD OF LOUISIANA'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the State Plumbing Board of Louisiana's finances and to show the State Plumbing Board of Louisiana's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Don Traylor, Executive Director, 2714 Canal Street, Suite 512, New Orleans, Louisiana 70119.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Proprietary Fund Financial Statements:
 - Enterprise funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2003

ASSETS

Current Assets

Cash and cash equivalents	\$ 381,093.84
Receivables	4,407.87
Prepaid expenses	4,932.18
Total Current Assets	<u>390,433.89</u>

Noncurrent Assets

Equipment	20,284.00
Accumulated depreciation	(8,114.00)
Total noncurrent assets	<u>12,170.00</u>

TOTAL ASSETS

402,603.89

LIABILITIES

Current Liabilities

Accounts payable	5,678.04
Payroll deductions and accruals	11,790.11
Deferred revenues	20,050.00
Total Current Liabilities	<u>37,518.15</u>

Noncurrent Liabilities

Compensated absences	18,712.04
Total Noncurrent Liabilities	<u>18,712.04</u>

TOTAL LIABILITIES

56,230.19

NET ASSETS

Investment in capital assets	12,170.00
Unrestricted	334,203.70
TOTAL NET ASSETS	<u><u>\$ 346,373.70</u></u>

The accompanying notes are an integral part of this statement.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2003

OPERATING REVENUES:

Charges for services -	
Licenses	\$ 413,070.00
Examination fees	85,967.50
Enforcement actions	55,370.00
Temporary permits	6,350.00
Total Operating Revenues	<u>560,757.50</u>

OPERATING EXPENSES:

Personal services -	
Commissioners per diem	7,575.00
Salaries	311,490.79
Employee benefits	62,429.62
Travel	60,000.22
Operating services	77,540.85
Supplies	19,762.27
Professional services	80,352.72
Non-capitalized outlays	4,139.00
Depreciation expense	4,057.00
Total Operating Expenses	<u>627,347.47</u>

Operating Income (Loss)	<u>(66,589.97)</u>
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NONOPERATING REVENUES:

Interest earnings	4,468.12
Other revenues	1,048.24
Total Nonoperating Revenues	<u>5,516.36</u>

Increase (Decrease) in net assets	(61,073.61)
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NET ASSETS AT JUNE 30, 2002	<u>407,447.31</u>
NET ASSETS AT JUNE 30, 2003	<u><u>\$ 346,373.70</u></u>

The accompanying notes are an integral part of this statement.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003**

Cash flows from operating activities

Cash received from customers	\$ 569,498.52
Cash payments to suppliers for goods and services	238,282.60
Cash payments to employees for services	384,983.60
Net cash provided (used) by operating activities	<u>(53,767.68)</u>

Cash flows from non-capital financing activities

Other revenues	1,048.24
Net cash provided (used) by non-capital financing activities	<u>1,048.24</u>

Cash flows from capital and related financing

Net cash provided (used) by capital and related financing activities	<u>0.00</u>
--	-------------

Cash flows from investing activities

Interest earned on Certificates of Deposit	4,468.12
Net cash provided (used) by investing activities	<u>4,468.12</u>

Net increase (decrease) in cash and cash equivalents	(48,251.32)
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Cash and cash equivalents at beginning of year	<u>429,345.16</u>
--	-------------------

Cash and cash equivalents at the end of the year	<u><u>\$ 381,093.84</u></u>
--	-----------------------------

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (66,589.97)
Adjustments to reconcile operating income (loss) to net cash	
Depreciation	4,057.00
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(3,750.07)
(Increase) decrease in prepayments	(855.20)
Increase (decrease) in accounts payable	5,213.04
Increase (decrease) in accrued payroll and related benefits	(2,632.14)
Increase (decrease) in compensated absences payable	514.66
Increase (decrease) in deferred revenues	10,275.00
Net cash provided (used) by operating activities	<u><u>\$ (53,767.68)</u></u>

The accompanying notes are an integral part of this statement.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. INTRODUCTION

The State Plumbing Board of Louisiana was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1361-1380. The Board is under the control of the Department of Labor and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board is composed of eight (8) members appointed by the Governor of Louisiana for a term of six years. The Board consists of one registered engineer, one plumbing inspector, three master plumbers, and three journeyman plumbers. Each appointment is made from a list of three names for each appointment submitted by the following:

1. The registered engineer and the plumbing inspector by the president of the Louisiana State Board of Health;
2. Master plumbers by the Louisiana Association of Plumbing, Heating and Cooling Contractors of Louisiana or its successors;
3. Journeymen plumbers by the Louisiana Pipe Trades Association or its successor.

The Board elects from its members a chairman, a vice chairman and a secretary-treasurer for two year terms; the election to be held within thirty days of July 1 in each odd-numbered year. The chairman shall vote only in a case of a tie.

As authorized by Louisiana Revised Statute 37:1364, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day plus actual expenses. Mileage to and from the member's domicile to the place of meeting or when otherwise required to travel for official authorized business of the board shall be reimbursed at the rate set by the Division of Administration for state employees pursuant to L.R.S. 39:231.

The Board is charged with the responsibility of licensing and regulating any person engaged in the following trades or businesses in the State of Louisiana:

- plumbing installation or plumbing work of any character (journeyman plumber)
- business of a master plumber
- apprentice plumber
- installing piping used solely to transport gases for medical purposes

The Board's office is located in New Orleans, Louisiana, and employs 2 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

1.B. FINANCIAL REPORTING ENTITY

GASB Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The State Plumbing Board of Louisiana is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the State Plumbing Board of Louisiana, a component unit of the State of Louisiana.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

1.C. BASIS OF PRESENTATION

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

1.D. ASSETS, LIABILITIES AND NET ASSETS

Cash and Cash Equivalents, Investments

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of 90 days or less.

Investments are carried at fair value. Fair value is based on quoted market price.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses, permits and examination fees and interest which are accrued when earned.

Prepays

Prepays reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

Capital Assets and Depreciation

Proprietary fund fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$5,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

Assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

— Automobile 5 years

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for these compensated absences is recorded as long-term debt in the proprietary fund statements. The current portion of this debt can not be estimated and accordingly, it is reported as a noncurrent liability.

Equity Classifications

Equity is classified as net assets and may be displayed in three components:

- a. Investment in Capital Assets— Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of “restricted” or “investment in capital assets.”

1.E. REVENUES AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

NOTE 2. - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

2.A. FUND ACCOUNTING REQUIREMENTS

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required separate funds.

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 33:2955 and the Board's investment policy.

NOTE 3. - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenses.

3.A. CASH AND INVESTMENTS

Deposits

The table presented below is designed to disclose the level of custody credit risk assumed by the Board based upon how its deposits were insured or secured with collateral at June 30, 2003. The categories of credit risk are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Board or by its agent in its name

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Board's name

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Board's name; or collateralized with no written or approved collateral agreement

Type of Deposits	Total Bank Balance	Custody Credit Risk Category			Total Carrying Value
		1	2	3	
Demand deposits	\$ 110,982	\$ 100,000	\$ 0	\$ 10,982	\$ 75,328
Certificates of Deposit	305,555		0	305,555	305,555
Total Deposits	<u>\$ 416,537</u>	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 316,537</u>	<u>\$ 380,883</u>

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

Reconciliation to Statement of Net Assets:

Petty cash	\$ 211
Unrestricted cash	75,328
Certificates of Deposit	305,555
Total Cash	<u>\$ 381,094</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

3.B. ACCOUNTS RECEIVABLE

Receivables detail at June 30, 2003, is as follows:

Payroll Tax Overpayment	\$ 1,370
NSF Checks	2,192
Travel Reimbursement	140
Employees	705
Total receivable	<u>\$ 4,407</u>

3.C. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2003, was as follows:

	Balance at June 30, 2002	Additions	Disposals	Balance at June 30, 2003
Equipment	\$ 20,284	\$	\$ 0	\$ 20,284
Less accumulated depreciation	(4,057)	(4,057)	0	(8,114)
Capital assets, net	<u>\$ 16,227</u>	<u>\$ (4,057)</u>	<u>\$ 0</u>	<u>\$ 12,170</u>
Depreciation expense			<u>\$ 4,057</u>	

3.D. ACCOUNTS PAYABLE

Payables are composed of payables to vendors (15%) and accrued salaries and benefits (31%).

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

3.E. DEFERRED REVENUE

Deferred revenues associated with examination fees which are collected prior to test dates. The fees are considered earned upon the administration of the test.

3.F. LONG-TERM DEBT

As of June 30, 2003, the long-term debt of the Board consists of the following:

Accrued Compensated Absences:

Current portion (not determinable)	\$ 0
Noncurrent portion	18,712
Total Long -Term Debt	<u>\$ 18,712</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2003:

Type of Debt	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
Accrued Compensated Absences	\$ 18,197	\$ 14,237	\$ (13,722)	\$ 18,712
Total Long -Term Debt	<u>\$ 18,197</u>	<u>\$ 14,237</u>	<u>\$ (13,722)</u>	<u>\$ 18,712</u>

NOTE 4. - OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

Pension Plan

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

Members are required by state statute to contribute at 7.5% of gross salary. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for fiscal year ended June 30, 2003 increased to 14.1% of annual covered payroll from the 13% in fiscal years ended June 30, 2002 and 2001 respectively. The board contributions to the System for the year ending June 30, 2003, 2002 and 2001 are \$29,642, \$24,734, and \$26,496 respectively, equal to the required contributions for that year.

Post Employment Health Care and Life Insurance Benefits

Substantially all Board employees become eligible for post employment health care, dental, and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through the insurance company whose premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 2003, the cost of providing those benefits for one retiree totaled \$6,243.

Deferred Compensation Plan

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

4.B. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

4.C. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; employee health and life; and natural disasters. The Board manages these various risks of loss as follows:

Type of Loss	Method Managed	Risk Retained
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

4.D. COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

Lease Obligations

The Plumbing Board had the following leases in effect as of June 30, 2003:

New Orleans office space at 2714 Canal Street, Suites 400 and 512. The lease calls for monthly lease payments of \$1,239 through January 31, 2006.

Baton Rouge office space at 12497 Airline Highway. The lease calls for monthly lease payments of \$2,838 through October 31, 2006.

Future lease requirements for year ending June, 30:

2004	\$	48,923
2005		48,923
2006		42,726
2007		11,350
TOTAL	\$	<u>151,922</u>

4.E. COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Commissioner	No. of Days	Amount
James Finley	22	\$ 1,650
Johnny Gypin	4	300
Jack Hicks	10	750
Rick Lanier	10	750
James Osborne, Jr.	7	525
Linden Raimer	3	225
Robert Rolston	40	3,000
Robert Jaeger, II	4	300
Total		<u>\$ 7,500</u>

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

LEROY J. CHUSTZ AND BEVERLY A. RYALL

P. O. Box 158
Denham Springs, LA 70727-0158
225/667-2700
Fax: 225/667-3553

7426 President Dr.
Baton Rouge, LA 70817
225/752-5147
Fax: 225/752-5147

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**Board Members of
State Plumbing Board of Louisiana
Department of Labor
State of Louisiana
New Orleans, Louisiana**

We have audited the basic financial statements of the State Plumbing Board of Louisiana, a component unit of the State of Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated August 4, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the State Plumbing Board of Louisiana's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* see finding number 2003-1 on the schedule of findings.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State Plumbing Board of Louisiana's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period

by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the State Plumbing Board of Louisiana and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties.

Leroy J. Chustz

Certified Public Accountant, APAC

August 4, 2003

Beverly A. Ryall

Certified Public Accountant

**STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2003**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of State Plumbing Board of Louisiana.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. One instance of noncompliance was disclosed during the audit of the basic financial statements.
4. There were no federal awards received by State Plumbing Board of Louisiana.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

Compliance

2003-1 Reimbursement for Travel in Excess of Allowable

Criteria -

State Agencies are required to adhere to the provisions of Policy and Procedure Memorandum (PPM) 49 issued by the Office of the Governor, Division of Administration.

Condition -

A member of the Plumbing Board and the Executive Director attended a conference in Fort Worth, Texas. Travel guidelines allow a maximum of \$170.00 per round trip ticket from New Orleans to Fort Worth. The Board reimbursed a total of \$480.00 for two travelers.

Effect -

The Board reimbursed travel by and excess of \$140.00

Cause -

The Board was not aware that PPM 49 was applicable to Board Member travel.

Recommendation -

The Executive Director of the Plumbing Board does not fully agree with this finding and we therefore suggest that the Plumbing Board seek an Attorney General's Opinion to clarify the applicability of PPM 49 to the State Plumbing Board.

Management Response -

See Management's Corrective Action Plan



BOARD MEMBERS

STATE PLUMBING BOARD OF LOUISIANA

August 19, 2003

JAMES C. FINLEY
NEW ORLEANS

Legislative Auditor
State of Louisiana

JOHNNY GYPIN
ALEXANDRIA

The State Plumbing Board of Louisiana respectfully submits the following corrective action plan for the year ended June 30, 2003

JACK E. HICKS
SULPHUR

Name and address of independent public accounting firms:

ROBERT JAEGER, II
COVINGTON

Leroy J. Chustz, CPA, APC
P.O. Box 158
Denham Springs, LA 70727-0158

and

Beverly A. Ryall, CPA
7426 President Dr.
Baton Rouge, LA 70817

KEITH BIENVENU
METAIRIE

JAMES R. OSBORNE, JR.
ALEXANDRIA

Audit Period: July 1, 2002 to June 30, 2003
"MANAGEMENT'S CORRECTIVE ACTION PLAN"

LINDEN RAIMER
COVINGTON

The finding from the June 30, 2003, Schedule of Findings is discussed below. The finding is numbered consistently with the number assigned in the schedule.

ROBERT ROLSTON
JEFFERSON

Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

DON TRAYLOR
EXECUTIVE DIRECTOR

B. FINDING-FINANCIAL STATEMENTS AUDIT

2003-1 Reimbursement for Travel in Excess of Allowable

Recommendation:

The Board's interpretation of LA R.S. 1364 was that the Board Members would be reimbursed actual travel expenses, and auto mileage was to be reimbursed at the rate set by Division of Administration's PPM-49. The Executive Director discussed this matter with the Board at a meeting held August 7, 2003. The Board instructed their attorney to seek an Attorney General's Opinion.

Action Taken:

The Board intends to comply with the opinion of the Attorney General as it applies to the members once this matter has been clarified.

If the Legislative Auditor has questions regarding this plan, please call Don Traylor, Executive Director at (504) 826-2382.

Sincerely,

Don Traylor
Executive Director

DT/jf

**STATE PLUMBING BOARD OF LOUISIANA
RESOLUTION PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2003**

2002-1 ANNUAL FINANCIAL REPORT

- The Board failed to submit an annual financial report and Management's Discussion and Analysis for the year ending June 30, 2002.

- Current Year Status - The Board submitted the required documents for the year ended June 30, 2003.

SUPPLEMENTAL INFORMATION REQUIRED BY
STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

The following pages contain a report on the Board's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2003

C O N T E N T S

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**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
BALANCE SHEET
AS OF JUNE 30, 2003**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$	381,094
Investments (Note C2)		
Receivables (net of allowance for doubtful accounts)(Note U)		4,408
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		4,932
Notes receivable		
Other current assets		
Total current assets		390,434

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		12,170
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		12,170
Total assets	\$	402,604

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	5,678
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		20,050
Amounts held in custody for others		
Other current liabilities		11,790
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		37,518

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		18,712
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		18,712
Total liabilities		56,230

NET ASSETS

Invested in capital assets, net of related debt		12,170
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		334,204
Total net assets		346,374
Total liabilities and net assets	\$	402,604

The accompanying notes are an integral part of this financial statement.
Statement A

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003**

OPERATING REVENUES

Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	560,758
Other	_____
Total operating revenues	560,758

OPERATING EXPENSES

Cost of sales and services	_____
Administrative	623,290
Depreciation	4,057
Amortization	_____
Total operating expenses	627,347

Operating income(loss)	(66,590)
------------------------	----------

NON-OPERATING REVENUES(EXPENSES)

State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	_____
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	4,468
Other	1,048
Total non-operating revenues(expenses)	5,516

Income(loss) before contributions and transfers	(61,074)
---	----------

Capital contributions

Transfers in

Transfers out

Change in net assets	(61,074)
----------------------	----------

Total net assets -- beginning as restated	407,447
---	---------

Total net assets -- ending	\$ 346,374
----------------------------	------------

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Component Unit:					
Component Unit X	\$ <u>627,347</u>	\$ <u>561,806</u>	\$ _____	\$ _____	\$ <u>(65,541)</u>
General revenues:					
Taxes					_____
State appropriations					_____
Grants and contributions not restricted to specific programs					_____
Interest					<u>4,468</u>
Miscellaneous					_____
Special items					_____
Transfers					_____
Total general revenues, special items, and transfers					<u>4,468</u>
Change in net assets					<u>(61,073)</u>
Net assets - beginning					<u>407,447</u>
Net assets - ending				\$	<u><u>346,374</u></u>

Statement C

STATE OF LOUISIANA

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003**

Cash flows from operating activities

Cash received from customers	\$	<u>569,499</u>	
Cash payments to suppliers for goods and services		<u>(238,283)</u>	
Cash payments to employees for services		<u>(384,983)</u>	
Payments in lieu of taxes			
Internal activity-payments to other funds			
Claims paid to outsiders			
Other operating revenues(expenses)			
Net cash provided(used) by operating activities			<u>(53,767)</u>

Cash flows from non-capital financing activities

State appropriations			
Proceeds from sale of bonds			
Principal paid on bonds			
Interest paid on bond maturities			
Proceeds from issuance of notes payable			
Principal paid on notes payable			
Interest paid on notes payable			
Operating grants received			
Other		<u>1,048</u>	
Transfers In			
Transfers Out			
Net cash provided(used) by non-capital financing activities			<u>1,048</u>

Cash flows from capital and related financing activities

Proceeds from sale of bonds			
Principal paid on bonds			
Interest paid on bond maturities			
Proceeds from issuance of notes payable			
Principal paid on notes payable			
Interest paid on notes payable			
Acquisition/construction of capital assets			
Proceeds from sale of capital assets			
Capital contributions			
Other			
Net cash provided(used) by capital and related financing activities			<u>0</u>

Cash flows from investing activities

Purchases of investment securities			
Proceeds from sale of investment securities			
Interest and dividends earned on investment securities		<u>4,468</u>	
Net cash provided(used) by investing activities			<u>4,468</u>

Net increase(decrease) in cash and cash equivalents (48,251)

Cash and cash equivalents at beginning of year 429,345

Cash and cash equivalents at end of year \$ 381,094

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$	(66,590)
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	4,057	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	(3,750)	
(Increase)decrease in due from other funds	0	
(Increase)decrease in prepayments	(855)	
(Increase)decrease in inventories	0	
(Increase)decrease in other assets	0	
Increase(decrease) in accounts payable and accruals	5,213	
Increase(decrease) in accrued payroll and related benefits	(2,632)	
Increase(decrease) in compensated absences payable	515	
Increase(decrease) in due to other funds	0	
Increase(decrease) in deferred revenues	10,275	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities	\$	(53,767)

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	0

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003**

INTRODUCTION

The State Plumbing Board of Louisiana was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1361-1380. The Board is under the control of the Department of Labor and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board, which is composed of eight (8) members appointed by the Governor of Louisiana for a term of six years. The Board consists of one registered engineer, one plumbing inspector, three master plumbers and three journeyman plumbers. Each appointment is made from a list of three names for each appointment submitted by the following:

1. The registered engineer and the plumbing inspector by the president of the Louisiana State Board of Health;
2. Master plumbers by the Louisiana Association of Plumbing, Heating and Cooling Contractors of Louisiana or its successors;
3. Journeymen plumbers by the Louisiana Pipe Trades Association or its successor.

The Board elects from its members a chairman, a vice-chairman and a secretary-treasurer for two year terms; the election to be held within thirty days of July 1 in each odd-numbered year. The chairman shall vote only in a case of a tie.

As authorized by Louisiana Revised Statute 37:1364, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day plus actual expenses. Mileage to and from the member's domicile to the place of meeting or when otherwise required to travel for official authorized business of the board shall be reimbursed at the rate set by the Division of Administration for state employees pursuant to L.R.S. 39:231.

The Board is charged with the responsibility of licensing and regulating any person engaged in the following trades or businesses in the State of Louisiana:

- Plumbing installation of plumbing work of any character (journeyman plumber)
- Business of a master plumber
- Apprentice plumber
- Installing piping used solely to transport gases for medical purposes

The Board's office is located in New Orleans, Louisiana, and employs 2 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of State Plumbing Board of Louisiana present information only as to the transactions of the programs of the State Plumbing Board of Louisiana as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the State Plumbing Board of Louisiana are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the State Plumbing Board of Louisiana are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>665,551</u>
Amendments:	<u>0</u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u><u>665,551</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the State Plumbing Board of Louisiana may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at Whitney National Bank, were secured as follows:

	Deposits in bank accounts			Total
	Cash	Certificates of Deposit	Other (Describe)	
Deposits in bank accounts per balance sheet	\$ <u>75,328</u>	\$ <u>305,555</u>	\$ _____	\$ <u>380,883</u>
Bank balances:				
1. Insured or collateralized with securities held by the entity or its agency <u>in the entity's name</u>	<u>110,982</u>	<u>305,555</u>	_____	<u>416,537</u>
2. Collateralized with securities held by the pledging institution's trust department or agent <u>in the entity's name</u>	_____	<u>0</u>	_____	<u>0</u>
3. Uncollateralized, including any securities held for the entity <u>but not in the entity's name</u>	<u>0</u>	<u>0</u>	_____	<u>0</u>
Total bank balances	\$ <u>110,982</u>	\$ <u>305,555</u>	\$ <u>0</u>	\$ <u>416,537</u>

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

Banking institution	Program	Amount
1. <u>Whitney National Bank</u>	<u>Operating Account</u>	\$ <u>75,328</u>
2. <u>Whitney National Bank</u>	<u>Certificates of Deposit</u>	<u>305,555</u>
3. _____	_____	_____
4. _____	_____	_____
Total		\$ <u>380,883</u>

Were uncollateralized securities fitting the description in (3) above during the year significantly greater than at June 30, 2003 (last day of your fiscal year)? If yes, attach a statement listing the amount(s) and a reason for this occurrence.

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ <u>211</u>

2. INVESTMENTS

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The State Plumbing Board of Louisiana does not maintain investment accounts as of June 30, 2003.

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

<u>Type of Investment</u>	<u>Category of Risk</u>			<u>Reported Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ 0	\$ _____
U.S. Government securities	_____	_____	_____	0	_____
Common & preferred stock	_____	_____	_____	0	_____
Commercial paper	_____	_____	_____	0	_____
Corporate bonds	_____	_____	_____	0	_____
Other: (identify)	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
Total categorized investments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Certain types of Investments cannot be categorized: (list separately)					
_____				_____	_____
_____				_____	_____
_____				_____	_____
_____				_____	_____
_____				_____	_____
Total investments				\$ 0	\$ 0

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____

- _____.
- b. Securities underlying reverse repurchase agreements _____.
- c. Unrealized investment losses _____.
- d. Commitments as of June 30, 2003 (fiscal close), to resell securities under yield maintenance repurchase agreements:
1. Carrying amount and market value at June 30 of securities to be resold _____
 2. Description of the terms of the agreement _____
- e. Investment types owned during the year but not owned as of June 30 _____.
- f. Losses during the year due to default by counterparties to deposit or investment transactions _____.
- g. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____.

Legal or Contractual Provisions for Reverse Repurchase Agreements

- h. Source of legal or contractual authorization for use of reverse repurchase agreements _____.
- i. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____.

Reverse Repurchase Agreements as of Year-End

- j. Credit risk related to the reverse repurchase agreements outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____.
- k. Commitments on June 30, 2003 (fiscal close), to repurchase securities under yield maintenance agreements _____.
- l. Market value on June 30, 2003 (fiscal close), of the securities to be repurchased _____.
- m. Description of the terms of the agreements to repurchase _____.
- n. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____.
- o. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____.

Fair Value Disclosures

- p. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____.

- q. Basis for determining which investments, if any, are reported at amortized cost _____

- r. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____

- s. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____

- t. Any involuntary participation in an external investment pool _____

- u. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____

- v. Any income from investments associated with one fund that is assigned to another fund _____

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASES ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2003						
	Balance 6/30/2002	Additions	Transfers *	Retirements	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 6/30/2003
Capital assets not being depreciated							
Land		-	-	-	-	-	-
Non-depreciable land improvements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other capital assets							
Furniture, fixtures, and equipment	20,284	-	-	-	20,284	-	20,284
Less accumulated depreciation	(4,057)	(4,057)	-	-	(8,114)	-	(8,114)
Total furniture, fixtures, and equipment	<u>16,227</u>	<u>(4,057)</u>	<u>-</u>	<u>-</u>	<u>12,170</u>	<u>-</u>	<u>12,170</u>
Buildings and improvements		-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total buildings and improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciable land improvements	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total depreciable land improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Infrastructure	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other capital assets	<u>16,227</u>	<u>(4,057)</u>	<u>-</u>	<u>-</u>	<u>12,170</u>	<u>-</u>	<u>12,170</u>
Capital Asset Summary:							
Capital assets not being depreciated	-	-	-	-	-	-	-
Other capital assets, at cost	20,284	-	-	-	20,284	-	20,284
Total cost of capital assets	20,284	-	-	-	20,284	-	20,284
Less accumulated depreciation	(4,057)	(4,057)	-	-	(8,114)	-	(8,114)
Capital assets, net	<u>16,227</u>	<u>(4,057)</u>	<u>-</u>	<u>-</u>	<u>12,170</u>	<u>-</u>	<u>12,170</u>

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES

The unit's inventories are valued at cost (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: DO NOT INCLUDE POSTAGE. THIS IS SHOWN AS A PREPAYMENT.**

F. RESTRICTED ASSETS

Restricted assets in the State Plumbing Board of Louisiana at June 30, 2003, reflected at \$12,170 in the non-current assets section on Statement A, consist of \$381,094 in cash with fiscal agent, \$4408 in receivables, and \$305,555 investment in Certificates of Deposits (identify the type investments held.)

G. LEAVE

1. COMPENSATED ABSENCES

The State Plumbing Board of Louisiana has the following policy on annual and sick leave:

Employees of the Board earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2003 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$18,712. The leave payable (is) (is not) recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana State Employee's Retirement System, a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Board employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2003, increased to 14.1% of annual covered payroll from the 13% required in both fiscal years ended June 30, 2002 and 2001, respectively. The Board contributions to the System for the years ending June 30, 2003, 2002, and 2001, were \$29,642, \$24,734, and \$26,496, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.**
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

**If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

Substantially all Board employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Board. For 2003, the cost of providing those benefits for the retiree totaled \$6,201.

The Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all Board employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the Board. The Board recognizes the cost of providing these benefits Board's portion of premiums as an expenditure when paid during the year, which was \$6,201 for the year ended June 30, 2003. The cost of providing those benefits for the retiree is not separable from the cost of providing benefits for the four active employees. The Board's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2003 the costs of the retiree benefits totaled \$6,201.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2002-2003 amounted to \$44,847. A schedule of payments for operating leases follows:

Nature of lease	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008- 2012	FY2013- 2015
Office Space - NO	\$ 14,873	\$ 14,873	\$ 14,873	\$ 12,390	\$	\$	\$
Office Space - BR	34,051	34,051	34,051	2,838			
Total	\$ 48,924	\$ 48,924	\$ 48,924	\$ 15,228	\$ 0	\$ 0	\$ 0

2. CAPITAL LEASES

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

<u>Year ending June 30, :</u>	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	<u>0</u>
Less amounts representing executory costs	_____
Net minimum lease payments	<u>0</u>
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ <u>0</u>

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

<u>Year ending June 30, :</u>	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ <u>0</u>

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

Year ending June 30, :	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement, and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>
a. Office space	_____	\$ _____
b. Equipment	_____	_____
c. Land	_____	_____
Less amounts representing executory costs		_____
Minimum lease payment receivable		_____ 0
Less allowance for doubtful accounts		_____
Net minimum lease payments receivable		_____ 0
Less estimated residual value of leased property		_____
Less unearned income		_____
Net investment in direct financing lease		\$ _____ 0

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2003 were \$_____ for office space, \$_____ for equipment, and \$_____ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of June 30, 2003:

Year ending _____:	
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total	\$ _____ 0

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of June 30, 2003:

	Cost	Accumulated depreciation	Carrying amount
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of June 30, 2003:

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2004	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ 0
2005					0
2006					0
2007					0
2008					0
2009-2013					0
2014-2018					0
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0

Contingent rentals received from operating leases received for your fiscal year was \$_____ for office space, \$_____ for equipment, and \$_____ for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2003:

	Year ended June 30, 2003			Balance June 30, 2003	Amounts due within one year
	Balance June 30, 2002	Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$ --	\$
Reimbursement contracts payable				--	
Bonds payable				--	
Total notes and bonds	--	--	--	--	--
Other liabilities:					
Contracts payable				--	
Compensated absences payable	18,197	14,237	13,722	18,712	
Capital lease obligations				--	
Liabilities payable from restricted assets				--	
Claims and litigation				--	
Other long-term liabilities				--	
Total other liabilities	18,197	14,237	13,722	18,712	--
Total long-term liabilities	18,197	14,237	13,722	18,712	--

A detailed summary, by issues, of all debt outstanding at June 30, 2003, including outstanding interest of \$0.00 is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt.
(Send a copy of the amortization schedule for any new debt issued.)

L. LITIGATION

1. The State Plumbing Board of Louisiana is not a defendant in litigation seeking damages as of June 30, 2003.

The State Plumbing Board of Louisiana's legal advisor states that there are no potential claims not covered by insurance would not materially affect the financial statements.

2. No claims or litigation costs were incurred in the current year.

M. RELATED PARTY TRANSACTIONS

None

N. ACCOUNTING CHANGES

None.

O. IN-KIND CONTRIBUTIONS

None.

P. DEFEASED ISSUES

None.

Q. COOPERATIVE ENDEAVORS

None.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

None

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

None

T. SHORT-TERM DEBT

None.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2003 were as follows:

Activity	Customer Receivables	Taxes	from other Governments	Other Receivables	Total Receivables
Customer NSF	\$ 2,192	\$		\$	\$ 2,192
941 overpmt		1,371			1,371
Employee Receivable				845	845
Gross receivables	\$ 2,192	\$ 1,371	\$ 0	\$ 845	\$ 4,408
Less allowance for uncollectible accounts	0	0	0	0	0
Receivables, net	\$ 2,192	\$ 1,371	\$ 0	\$ 845	\$ 4,408

Amounts not scheduled
for collection during the
subsequent year

\$ \$ \$ \$ \$ 0

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2003, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Accounts Payable	\$ Benetech	\$	\$	\$ 5,678	\$ 5,678
Other Current Liabilities		11,790			11,790
Total payables	\$ 0	\$ 11,790	\$ 0	\$ 5,678	\$ 17,468

W. SUBSEQUENT EVENTS

None.

X. SEGMENT INFORMATION

None.

Y. DUE TO/DUE FROM AND TRANSFERS

None.

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

None.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

None.

**STATE OF LOUISIANA
DEPARTMENT OF LABOR
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2003**

[illegible]

SCHEDULE 1

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2003**

	<u>Description of Funding</u>	<u>Amount</u>
1.	_____	\$ _____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____
	Total	\$ <u>0</u>

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
JUNE 30, 2003

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2003

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2003

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended June 30, 2003

Fiscal Year		
<u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
 Total	 \$ _____ --	 \$ _____ --

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2003

<u>Fiscal Year</u> <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2004	\$ _____	\$ _____	\$ _____	\$ _____ --
2005	_____	_____	_____	_____ --
2006	_____	_____	_____	_____ --
2007	_____	_____	_____	_____ --
2008	_____	_____	_____	_____ --
2009-2013	_____	_____	_____	_____ --
2014-2018	_____	_____	_____	_____ --
2019-2023	_____	_____	_____	_____ --
2024-2028	_____	_____	_____	_____ --
 Total	 \$ _____ --	 \$ _____ --	 _____ --	 _____ --

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
SCHEDULE OF NOTES PAYABLE AMORTIZATION**

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009-2013	_____	_____
2014-2018	_____	_____
2019-2023	_____	_____
2024-2028	_____	_____
Total	\$ _____	\$ _____

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2003

Fiscal Year		
<u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
 Total	 \$ _____ --	 \$ _____ --

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2003</u>	<u>2002</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>566,273.86</u>	\$ <u>564,340.92</u>	\$ <u>1932.94</u>	\$ <u>.34</u>
Expenses	<u>622,775.81</u>	<u>557,660.40</u>	<u>65,115.41</u>	<u>15.48</u>
2) Capital assets	<u>12,170.00</u>	<u>16,227.00</u>	<u>4057.00</u>	<u>-25.00</u>
Long-term debt	<u>18,712.04</u>	<u>18,197.38</u>	<u>-514.66</u>	<u>2.83</u>
Net Assets	<u>346,373.70</u>	<u>407,447.31</u>	<u>-61,073.61</u>	<u>-14.99</u>

Explanation for change: _____

3)	<u>2003 Original Budget</u>	<u>2003 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ <u>543,220.00</u>	\$ <u>543,220.00</u>	\$ <u>0</u>	\$ <u>0</u>
Expenditures	<u>665,551.00</u>	<u>665,551.00</u>	<u>0</u>	<u>0</u>

Explanation of change: _____

	<u>2003 Final Budget</u>	<u>2003 Actual Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	<u>543,220.00</u>	<u>566,273.86</u>	<u>23053.86</u>	_____
Expenditures	<u>665,551.00</u>	<u>622,775.81</u>	<u>-42775.19</u>	_____

Explanation of change: _____
